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INFO ALL SOUTH AND CENTRAL ASIA COLLECTIVE  
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EUROPEAN POLITICAL COLLECTIVE

C O N F I D E N T I A L SECTION 01 OF 03 TASHKENT 001637

SIPDIS  
DEPT FOR SCA/CEN  
AMEMBASSY ANKARA PASS TO AMCONSUL ADANA  
AMEMBASSY ASTANA PASS TO AMCONSUL ALMATY  
AMEMBASSY BERLIN PASS TO AMCONSUL DUSSELDORF  
AMEMBASSY BERLIN PASS TO AMCONSUL LEIPZIG  
AMEMBASSY BELGRADE PASS TO AMEMBASSY PODGORICA  
AMEMBASSY HELSINKI PASS TO AMCONSUL ST PETERSBURG  
AMEMBASSY ATHENS PASS TO AMCONSUL THESSALONIKI  
AMEMBASSY MOSCOW PASS TO AMCONSUL VLADIVOSTOK  
AMEMBASSY MOSCOW PASS TO AMCONSUL YEKATERINBURG

E.O. 12958: DECL: 2019/12/18  
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SUBJECT: UZBEKISTAN: TASHKENT TIDBITS DECEMBER 18, 2009

CLASSIFIED BY: Robert McCutcheon, Econ Officer, State, Pol/Econ  
Office; REASON: 1.4(B), (D)

Dilmurod Sayyid Moved to Prison Hospital

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11. (SBU) Dilmurod Sayyid, who was sentenced to 12 and a half years in prison last June, was transferred December 15 from Navoi Prison to Sangorod, the Tashkent-based prison hospital. Embassy contact Abdurahmon Tashanov, who attended Sayyid's trial, told the Embassy that he was turned away from visiting Sayyid, and he speculates that this was because Sayyid is in very bad health (he has active tuberculosis). Tashanov also thinks there may be a chance that Sayid will be moved to a Tashkent-based prison following his stay in Sangorod. The international community has given great attention to this case, as Sayyid was a journalist reporting on farmers' issues, and the charges against him were widely believed to be baseless. Sayyid's wife and daughter were killed recently in an auto accident on November 5.

Ordinary Uzbeks Fed Up with Mandatory Debit Cards

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12. (SBU) More and more employers are paying a percentage of employee salaries via electronic funds transfer (EFT) directly to bank accounts. The employees are issued debit cards that in theory can be used to access these funds, but the infrastructure for using these cards is only just developing, particularly outside of Tashkent. Moreover, most banks will only allow 10-20 percent of the balance in a person's account to be withdrawn, and banks also frequently charge a hefty service fee for the privilege. Thus, many people effectively must live without that percentage of their income that is paid by EFT.

13. (SBU) The Uzbek Central Bank encourages private employers to pay 50 percent of salaries by EFT, but several employers are doing this to a much greater extent. In Surhandaryo Province, some employers are reportedly paying 100 percent of salaries by EFT. One hundred

percent of pension and other social payments also will soon be made in this way. For many people, particularly outside of Tashkent, one of the only options for obtaining cash is to go to a local gas station, which generally will accept debit cards and give cash back, but at a 20-30 percent "fee." The economic hardship faced from this situation comes up in the internet press and in conversations with Uzbeks on a daily basis, and people are getting noticeably angry. In Tashkent, long lines at local banks on payday have been common in the past, but two to three police officers now generally monitor those lines, presumably to make sure that anger does not result in violence.

#### Centuries-old Trees Felled in Central Tashkent

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14. (SBU) To the shock of most Tashkent residents, the city began a project in mid-November to remove all of the plane trees from Amir Timur Square in central Tashkent. The trees were planted during the time of the Russian empire in the mid to late nineteenth century and dominated the square (then named after General Kaufman), providing much needed shade and relief from Tashkent's oppressive summer sun. Tashkent residents griped that cutting a tree in one's own yard can result in a hefty fine from the city authorities, but this operation seemed to have been undertaken on orders from "higher up." Given the construction of the several-hundred-million-dollar Forum of Palaces this year on the

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same square, the assumption was that Karimov himself wanted to open the view on his new monument and had city officials remove the trees. A press article seemed to confirm this suspicion, but indicated that perhaps obsequious city authorities got a little too zealous or misunderstood the leader's wishes. Karimov, it seems, upbraided Tashkent's mayor for the devastation, saying that he had only suggested the trees be "thinned out," but not cut down completely. The trees took over a century to grow and it's too late for regrets. Tamerlane dominates the now denuded square, his horse's tail giving way to the full splendor of the grandiose Forum of Palaces.

#### Legal Roundtable

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15. (SBU) The Embassy hosted a legal roundtable on December 14 to discuss changes to attorney licensing requirements, the Chamber of Lawyers that replaced the previous bar association, and a new decree that requires attorneys and notaries to report to authorities when they suspect a client is involved in money laundering, tax evasion, or terrorism. The three-member panel included one licensed attorney who runs a law clinic, one former attorney who chose not to renew her license according to the new procedures, and one former attorney who was not relicensed following the testing procedure. All three told the assembled diplomats that they felt the testing procedures were a way to "cleanse" the defense bar of attorneys not under the GOU's control. All three are also concerned that the October decree requiring reporting on clients violates the norms of attorney-client privilege, and suspect that the government will use it as one more tool with which to go after attorneys who do not always toe the official line.

#### An Inside Look at GM Uzbekistan

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¶16. (C) A manager in GM Uzbekistan's Powertrain operation gave us insight into the day-to-day reality of what it is like to build GM's new casting and engine plant in cooperation with Uzavtosanoat. Although the plant will not be operational until 2011, there is already a substantial local staff involved both in management and construction. The GM manager told us that the top salary for local employees is approximately 1,100,000 soum/month (\$550/month). Although locally-employed staff are paid in soum, there is an exception for the top six local employees designated by the GOU, who are paid 100 percent cash in U.S. Dollars. We were told that in October the Uzbeks forced out most locally-based Korean workers from the assembly plant in Asaka and replaced them with Uzbek nationals. The Koreans had been the senior technical workers -- e.g., shop foremen -- and there is concern that their departure will impact the assembly plant's technical capacity.

¶17. (C) There seems to be a great deal of on-the-ground frustration of the part of GM's expat employees. Currently, there are six GM employees not from Uzbekistan living here. Andor Paizer, overall manager for the GM Powertrain operation, left for good -- in fact left GM for good -- on November 25th, reputedly because he could not take Uzbek methods any longer. At this moment, the Powertrain operation is in "remote control" until a new manager comes out in February.

¶18. (C) Adding to the frustration, Uzavtosanoat requested a \$2

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million USD loan from GM Powertrain for three days to meet a cash-flow problem. GM refused to transfer the money, which reportedly "surprised" the Uzbeks. In still another move sure to please, the GOU informed GM's American employees that it is requisitioning all GM company cars and drivers for two weeks, starting December 16, for use in the upcoming elections.

¶19. (C) A GM metallurgist told us his first impression of Uzbek engineers is that they have no concept of modern casting methods.

Honeywell Cuts a Deal

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¶10. (SBU) Following close on the heels of Honeywell CEO Dave Cote's visit to Uzbekistan in October, Uzbekneftegaz announced on December 11 that it had signed a memorandum of understanding with Honeywell. According to Davina Patel, Honeywell Manager for Strategy & Marketing, Honeywell has now met with several of Uzbekistan's National Holding Companies and has signed a protocol with the Ministry of Foreign Economic Relations, Investment, and Trade defining specific actions Honeywell will undertake with the various NHCs. Taken together, these events mark a major expansion of Honeywell's activities in Uzbekistan.

Some Easing of Sentences

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¶11. (SBU) In Ref A, Post reported on the conviction of Baptists Pavel Peichov, Dmitry Pitirimov and Yelena Kurbatova for their

activities related to a summer camp for youth. In October, a court imposed heavy fines on all three and imposed a three year ban on any administrative or commercial activity for the next three years. On December 4, the Tashkent City Court granted amnesty for the charges that had resulted in the fines, but left intact the restriction on administrative and commercial activities. In Ref B, Post reported on the sentencing of human rights activist Farhad Mukhtarov to five years in prison. On December 3, the Tashkent City Criminal Court reduced the sentence to four years. (Note: Although not unheard of, it is unusual for sentences to be reduced on appeal. It is not known whether these parties will continue to appeal their convictions.)

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